

Analysis of Hospital Charges: Comparing Three Services in Illinois

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Abstract

Hospital charges vary greatly among facilities even in those that are within a 10 mile radius. Establishing procedure costs within a hospital is a complicated process where many factors can be taken into account such as overhead costs, equipment, and location. Hospitals have their own charges for procedures that can vary greatly within each individual hospital. Hospitals charge a lot higher than their actual costs in order to compensate for unpaid bills and other expenses. My research question is to what extent do hospitals charge different rates for the same diagnoses? The services/diagnoses being compared are heart failure, pneumonia, and urinary tract infection. These diagnoses were selected due to their regularity and are generally treated in a majority of hospitals.